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184 Lamberts Lane
Cohasset, MA 02025

August 26, 2002

Appeals Committee
c/o Plan Administrator
Alcatel USA, Inc.
1000 Coit Road
Plano, Texas 75075

**Re: The Alcatel USA, Inc. Severance Benefits Plan
Appeal Under Article 5, Section 5.4**

Dear Committee:

This letter constitutes my appeal, pursuant to Article 5, Section 5.4 of The Alcatel USA, Inc. Severance Benefits Plan ("Plan"), of the Plan Administrator's decision denying my request for a severance payment equal to twenty-six (26) weeks' pay rather than one and one-half weeks' pay per year of completed service. In accordance with Section 5.4, I am enclosing copies of my claim as well as the Plan Administrator's decision.

The facts underlying this appeal are as follows.

I became a participant of the Plan as the result of the acquisition of Astral Point Communication ("APC") by Alcatel. I started working at APC in September 2000 as a Sales Director. I remained in the position of Sales Director until my termination by Alcatel as part of the post-acquisition restructuring. From the date of Alcatel's acquisition of APC (April 3, 2002) until the date of my notice of termination (May 21, 2002), I was never informed of any change in my status nor was I informed that my position had been subject to reclassification. As such, at the time of my termination, my title was Sales Director with responsibilities and status as determined under the APC job classification system in place as of the date of the acquisition.

As you are aware, the Plan provides for a minimum severance pay equal to twenty-six (26) weeks' pay for employees with the job level of "Director," "Senior Director" or "Assistant Vice President." See Article 4, Section 4.2. None of those terms, however, are defined in the Plan.

In denying my claim, the Plan Administrator states:

Your job level, as classified by the Alcatel job level system, was an exempt individual contributor. The distinction between individual contributor and manager is the placement of "Director" or "Manager." Director, Manager of VP at the beginning of a title classifies you as a member of management. These same titles when placed at the end of the title classify you as an individual contributor.

The decision of the Plan Administrator is wholly arbitrary in that I was never classified under the Alcatel job level system. Rather, the placement of "Director" in my job title was done in accordance with the APC job level system.

The decision of the Plan Administrator also is discriminatory in that Fred Parenteau, Director of N.E. Sales, and Dan Micelli, Major Account Director, each received severance benefits under the Plan equal to twenty-six (26) weeks of their regular base pay. In this regard, Mr. Parenteau and I had exactly the same job as of the date of the acquisition and, in fact, reported to the same Vice President, while Mr. Micelli and I had exactly the same jobs with different titles, but we were all Directors.

Based on all of the above, I respectfully request that the Appeals Committee overturn the decision of the Plan Administrator and award me twenty-six (26) weeks' severance pay.

Sincerely,